

*Board of Directors*

~

HON. W. E. FOSTER, LL.D.  
F. J. FAIRHALL, Esq.  
SENATOR C. B. HOWARD  
HON. B. M. HILL  
W. W. SNIDER, Esq.  
R. W. T. BURLEIGH, Esq.  
D. C. MCBRIDE, Esq., C.A.

OFFICERS

HON. W. E. FOSTER, LL.D.  
Chairman, Board of Directors.  
F. J. FAIRHALL, Esq.  
President  
SENATOR C. B. HOWARD  
Vice-President  
HON. B. M. HILL  
Secretary-Treasurer

SOLICITORS

HYDE, AHERN & SMITH

AUDITORS

PRICE, WATERHOUSE & COMPANY

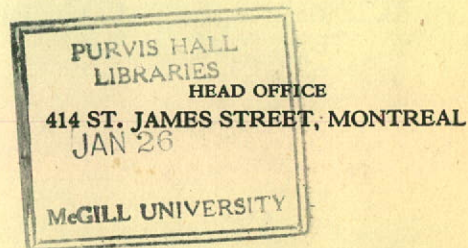
**Consolidated  
Diversified Standard  
Securities  
Limited**

**FINANCIAL REPORT**

FOR YEAR ENDING  
DECEMBER 31st,

**1941**

?



**Consolidated Diversified Standard Securities Limited**

*Notice of Annual Meeting of Shareholders*

NOTICE is hereby given that the Annual Meeting of Shareholders of CONSOLIDATED DIVERSIFIED STANDARD SECURITIES LIMITED, will be held at Room 135, Windsor Hotel, in the City of Montreal, on the 30th day of April, 1942, at the hour of ten o'clock in the forenoon, daylight saving time, for the purpose of:—

- (a) Receiving and considering the report of the Directors of the Company, the Balance Sheet, Statement of Income and Expenditure, and the Auditors' Report for the past fiscal year;
- (b) Considering and if thought fit, approving and ratifying all contracts, acts and proceedings of the Board of Directors and of the officers of the Company since the last Annual Meeting of Shareholders as set forth or described in the books of the Company or in the Annual Report of the Company for the past fiscal year;
- (c) Appointing Auditors;
- (d) Electing Directors for the ensuing year;
- (e) Transacting such other business as may properly be brought before the meeting.

If you are not able to be present kindly sign and return the enclosed Proxy by early mail.

DATED at Montreal this 27th day of March 1942.

BY ORDER OF THE BOARD,

B. M. HILL

Secretary-Treasurer.



## Consolidated Diversified Standard Securities Limited

### Consolidated Statement of Profit and Loss and Surplus

For the year ending December 31st, 1941

|                                                                                                           |             |           |                    |
|-----------------------------------------------------------------------------------------------------------|-------------|-----------|--------------------|
| Dividends and Interest earned on Investments.....                                                         | \$50,222.44 |           |                    |
| ADD:                                                                                                      |             |           |                    |
| Premium received on U.S. Funds.....                                                                       | \$ 3,630.89 |           |                    |
| Net Profit on Sale of Investments.....                                                                    | 5,689.82    | 9,320.71  | \$59,543.15        |
| DEDUCT:                                                                                                   |             |           |                    |
| Remuneration of Executive Officers employed in Salaried Positions.....                                    | \$11,000.60 |           |                    |
| Office Salaries.....                                                                                      | 3,565.00    |           |                    |
| Directors' Fees.....                                                                                      | 300.00      |           |                    |
| Legal Fees.....                                                                                           | 135.00      |           |                    |
| Taxes, other than Income.....                                                                             | 555.12      |           |                    |
| General Expenses, including Rent, Postage, Stationery, Office Expenses, Depreciation (\$248.01), etc..... | 4,568.62    | 20,124.34 |                    |
| NET PROFIT BEFORE INCOME TAXES.....                                                                       |             |           | \$39,418.81        |
| DEDUCT:                                                                                                   |             |           |                    |
| Taxes deducted at source.....                                                                             | \$ 8,666.22 |           |                    |
| Reserve for U.S. Income Tax.....                                                                          | 1,600.00    |           |                    |
| Provision for Provincial Profits Tax.....                                                                 | 50.00       | 10,316.22 |                    |
| NET PROFIT FOR YEAR AFTER ALL CHARGES .....                                                               |             |           | \$29,102.59        |
| Surplus Balance, December 31, 1940.....                                                                   |             | 66,998.72 |                    |
|                                                                                                           |             |           | \$96,101.31        |
| Preferred Dividends paid, less \$2,537.37 in respect of those shares held by wholly owned subsidiary..... |             | 22,925.13 |                    |
| SURPLUS BALANCE, DECEMBER 31, 1941.....                                                                   |             |           | <u>\$73,176.18</u> |

## Consolidated Diversified Standard Securities Limited

### Auditors' Report to the Shareholders

We have made an examination of the books and accounts of Consolidated Diversified Standard Securities Limited, and its wholly owned subsidiary, Alco Securities Corporation Limited, for the year ending December 31, 1941, and have obtained all the information and explanations which we have required. In the periodical examinations made by us, securities have been found in order, and we report that, in our opinion, the attached Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at December 31, 1941, according to the best of our information and explanations given us and as shown by the books of the Company.

PRICE, WATERHOUSE & CO.,  
Auditors.

Montreal, March 21, 1942.



# Consolidated Diversified Standard Securities Limited

AND ITS WHOLLY OWNED SUBSIDIARY COMPANY

Consolidated Balance Sheet, December 31st, 1941

| ASSETS                                                                                                                                                                                                                                         |              |                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------|
| CASH IN BANKS.....                                                                                                                                                                                                                             | \$           | 408.89              |
| DIVIDENDS DECLARED (Receivable in January).....                                                                                                                                                                                                |              | 5,867.47            |
| INTEREST ACCRUED ON BONDS.....                                                                                                                                                                                                                 |              | 461.34              |
| SUNDRY ACCOUNTS RECEIVABLE.....                                                                                                                                                                                                                |              | 1,227.81            |
| INVESTMENTS:                                                                                                                                                                                                                                   |              |                     |
| In Stocks and Bonds of listed Corporations at book value (Quoted Market Value of these Investments at December 31, 1941, expressed in Canadian Dollars, \$502,294.26).....                                                                     | \$849,845.19 |                     |
| In Stocks of Corporations whose current value is not readily ascertainable.....                                                                                                                                                                | 26,873.71    |                     |
| Net cost of 1,433 4/25 Non-cumulative First Preference shares, and 33,937 18/40 Class "A" Common Shares of Consolidated Diversified Standard Securities Limited, held by its wholly owned subsidiary, Alco Securities Corporation Limited..... | 36,962.60    | 913,681.50          |
| FURNITURE AND FIXTURES, less Reserve for Depreciation of \$1,490.49                                                                                                                                                                            |              | 1,055.55            |
| PREPAID ITEMS.....                                                                                                                                                                                                                             |              | 433.60              |
|                                                                                                                                                                                                                                                |              | <u>\$923,136.16</u> |

APPROVED ON BEHALF OF THE BOARD:

W. E. FOSTER, Director.

B. M. HILL, Director.

| LIABILITIES                                                                                                                                                                  |              |                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------|
| RESERVE FOR INCOME AND PROFITS TAXES.....                                                                                                                                    | \$           | 2,084.17            |
| RESERVE FOR UNREALIZED PROFIT ON EXCHANGE.....                                                                                                                               |              | 30,360.81           |
| CAPITAL STOCK AND SURPLUS, represented by—                                                                                                                                   |              |                     |
| Capital Stock:                                                                                                                                                               |              |                     |
| Authorized—                                                                                                                                                                  |              |                     |
| 55,000 Non-cumulative First Preference Shares of no par value. (Preferential as to \$2.50 per share dividend and redeemable at \$50.00 at call).                             |              |                     |
| 160,000 Class "A" Common Shares of no par value.                                                                                                                             |              |                     |
| 112,500 Class "B" Common Shares of no par value.                                                                                                                             |              |                     |
| Issued:—                                                                                                                                                                     |              |                     |
| Non-cumulative First Preference Shares.....                                                                                                                                  | 50,916       | 15/25               |
| Less: Redeemed and cancelled out of Net                                                                                                                                      |              |                     |
| Realized Capital Profits.....                                                                                                                                                | 18,916       | 15/25               |
| Balance of First Preference Shares Outstanding.                                                                                                                              | 32,000       |                     |
| Class "A" Common Shares.....                                                                                                                                                 | 152,340      | 39/40               |
| Class "B" Common Shares.....                                                                                                                                                 | 112,500      |                     |
| Capital Surplus, representing net realized Capital Profits, used in redemption of 18,916 15/25 First Preference Shares, of which 3,900 shares were redeemed during 1941..... | \$293,000.00 |                     |
|                                                                                                                                                                              |              | \$717,515.00        |
| INVESTMENT RESERVE.....                                                                                                                                                      | 100,000.00   |                     |
| SURPLUS, as per statement attached.....                                                                                                                                      | 73,176.18    | 890,691.18          |
|                                                                                                                                                                              |              | <u>\$923,136.16</u> |

Submitted with our report to the shareholders dated March 21, 1942.

PRICE, WATERHOUSE & CO.,  
Auditors.



# Consolidated Diversified Standard Securities Limited

March 27th, 1942.

To the Shareholders:

Your Directors present herewith for your approval the Consolidated Financial Report and Balance Sheet for your Company and its Subsidiary for the year ended December 31st, 1941.

While gross income for the year was well maintained, net profits were affected by reason of increased taxation.

From January 1st to April 30th interest and dividends received from American Corporations were subject to a tax in the United States of 5%, from May 1st to September 30th this tax was raised to 16½%, and from October 1st to December 31st the tax was increased to 27½%. This compares with a total tax of 5% paid in 1940.

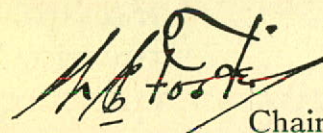
Notwithstanding the fact that the past year was one of depressed prices in security markets \$9,000.00 was added to the surplus account through the successful exchange of securities.

During the year 3,900 shares of the outstanding preference stock were redeemed and cancelled.

Your Company's investment portfolio is comprised of securities classified as follows: Bonds—6.28%, Preferred Stocks—9.74%, Common Stocks—80.92%, Miscellaneous and Unlisted Investments—3.06%. Holdings of revenue producing securities have been maintained at over 90% of the portfolio.

Dividends No. 18 and No. 19, totalling 75 cents per share were paid on the outstanding Preference shares during the year 1941.

Submitted on behalf of the Directors,



Chairman, Board of Directors.